



MINUTES
Economic Development Authority
April 16, 2019

CALL TO ORDER

The Economic Development Authority meeting was called to order at 5:30 pm.

Present: Chair: Jahn Dyvik; Vice Chair: Lori Goodsell; Board: Tim Hultmann, Michelle Jerde, Tom Skjaret, Deirdre Kvale, and Charlie Miner

Staff Present: City Administrator/Executive Director: Scott Weske; Sean Diercks, Public Works Director

Absent: None

PLEDGE OF ALLEGIANCE

APPROVE AGENDA

A motion was made by Jerde, seconded by Hultmann, to approve the agenda. Ayes: all.

CONSENT AGENDA

A motion was made by Skjaret, seconded by Goodsell, to approve the minutes of the March 19, 2019 EDA meeting. Ayes: all.

OPEN CORRESPONDENCE

None.

BUSINESS ITEMS

Review Estimates for Abatement/Cleanup of City-Owned Property at 1905 West Wayzata Boulevard

Executive Director Weske gave a brief summary of the abatement/cleanup process for removal of structures and contaminants at the former BP station site and commented on the potential for grant reimbursement. He noted that the staff report outlined the different aspects of the cleanup process and related costs as quoted by both Wenck and WSB. He gave a brief explanation of a potential grant process and deadlines.

Chair Dyvik asked if the City could go ahead and do the work or if they had to wait until a grant was approved.

Weske stated that for the grant programs he's familiar with, the grant needs to be in place before the work is done and eligible for reimbursement. He stated that the EDA would want to determine the scope of the project to see what aspects of the environmental services may be eligible for grant funding. He commented that some of the work scope will not qualify for grants and will have to be done out of pocket, such as asbestos removal.

Chair Dyvik stated that he had some information regarding a quote from Veit of \$36,000 and an additional \$29,000 if contaminated soil needed to be removed. Veit's quote indicated that it would be an additional \$7,000 to import clean fill for the site.

Weske asked if the quote outlined how deep they would go on the site.

Chair Dyvik stated that he believes that their quote looked at the worst-case scenarios. He indicated that he also had a conversation with Chris Locke from a company called Carlson McCain. He stated that during their conversation he sent him the reports and files and his initial impression was that the contamination wasn't that bad. Mr. Locke communicated that the environmental costs for bringing down the building and taking up the slab would be probably less than \$5,000. He stated that he was heading out of town on vacation and wants to talk to the City in greater detail when he gets back. Chair Dyvik added that when he had told him the City was considering cleaning up the whole site, Mr. Locke cautioned against that since the City doesn't know what the redevelopment of the site will be. He reviewed the initial quote he had gotten from him for the worst case scenario of \$6,400. Chair Dyvik advised that he had also gotten a quote from a company called T. Scherber who quoted \$32,000 for the full project scope, including asbestos testing. He noted that T. Scherber also included another quote if the City wanted Class 5 which would be an additional \$7,000.

Chair Dyvik stated that T. Scherber sent the report and all the data to Landmark and was told that they could proceed because there shouldn't be any impacts. He indicated that the scope of environmental concerns seems to change no matter who you talk to because some contractors are saying there needs to be a lot of oversight and others will say you only call them out if you notice fumes when you are doing the work.

Board member Jerde stated that she thinks it would be good for the City to be able to work with some different contractors than just the usual ones it has worked with in the past.

Chair Dyvik stated that he agrees. He stated that Mr. Locke from Carlson McCain spent over an hour talking to him with no obligation from the City.

The EDA discussed assurance letters and what they may mean to the deed for the property and to future buyers.

Chair Dyvik stated that he was impressed with T. Scherber because they came out and went inside the building and really looked around. He further reported that he had just received an additional quote from a company called Fehn which came in about \$34,000 and another \$8,000 to bring in Class 5.

Weske commented that all the quotes have come in within the same neighborhood for total costs.

Chair Dyvik stated that in his conversation with T. Scherber, they'd noted that they have been looking at the Perry's property with the hopes of cleaning it up and moving in.

Board member Kvale asked if there were any licenses required to do this type of work and if T. Scherber had the necessary licensing.

Weske explained that T. Scherber has licensure and would be able to do the work.

Board member Skjaret asked at what point the RFP process would kick in.

Weske stated that it would kick in at \$175,000.

Chair Dyvik stated that he thinks the cost of the cleanup could be rolled into a future sale price for the property, but he would like to get this structure taken down as soon as possible.

Board member Skjaret commented that he didn't think staff would have time to handle oversight of the project for the next 90 days with their busy activity levels. He stated that staff can handle coordinating shutting off the water and gas, but that is probably it.

Public Works Director Diercks stated that there has been an application submitted for electric.

Board member Skjaret stated that the only hang up with a start date is when Xcel can come out and pull them out.

Chair Dyvik stated that sewer and water disconnect is \$1,800.

Diercks explained that the application has been submitted for electric and gas. He noted that he had told Xcel that the demolition was scheduled for May 15, 2019.

Chair Dyvik stated that he did not want to totally discount discussion of a possible grant process.

Weske advised that he was not fully prepared to pull the application for the grants at this time, so he is unsure of the awarding process or the timelines. He stated that he can look into applicable grant opportunities with greater detail over the next few days. He noted that the quote from T. Scherber did not include any recycling credits for some of the materials that may be able to be reused, such as the awning.

Chair Dyvik indicated that he didn't think it was worth it to wait six to nine months to see if the City can get a grant. There was a general consensus from the other EDA members to that effect.

Weske stated that the biggest value in the grant process may be for Phase I and Phase II after the site has been demolished. He agreed that it may not make sense to hold up the whole process for a possible grant. He stated that he would like to see if Carlson McCain can walk the site and take a closer look.

The EDA discussed the surface material used on the site and the original price information that came from Veit. The EDA discussed the desire to have this parcel be able to be used for parking throughout the summer for events as well as for commuter parking.

Weske stated that he will clarify some of the information from T. Scherber's quote such as how far down they would go for the sewer and water pipes to cut them off and cap them.

Chair Dyvik commented that he doesn't want to sit on this too long and miss the opportunity to work with these companies because they have gotten too busy. He asked if this was an EDA decision or a Council decision.

Weske noted that if EDA funds are used, it will need to be an EDA decision. He suggested that the EDA make a motion to recommend that action be taken in a "not to exceed" dollar amount.

A motion was made by Skjaret, seconded by Jerde, to direct staff to engage a contractor to proceed with demolition and a consultant to proceed with testing at the former BP station at 1905 West Wayzata Boulevard, with a cost not to exceed \$55,000. Ayes: all

Weske stated that the contractor will work with someone that may be interested in the scrap metal and those credits will then come back to the City. He noted that T. Scherber did not include that information in their quote.

Board member Miner asked that staff contact the Fire Department to see if they wanted to do any training on the site while the building was still in place.

Weske asked that Chair Dyvik forward any information and documentation that he has gathered so he can include it in the official packet.

OTHER BUSINESS

Board member Goodsell asked if there had been any interest in the City's side of Virginia Avenue.

Weske stated that he has a meeting tomorrow with another group out of Hutchinson that has expressed interest in doing the whole block.

Chair Dyvik asked if Weske had heard of any interest in the former BP site.

Weske stated that he gets random inquiries but nothing concrete other than the dental office who is still interested.

The EDA discussed the Virginia Avenue area and the RFP process.

ADJOURN

A motion was made by Jerde, seconded by Skjaret, to adjourn the meeting at 6:23 pm. Ayes: all.

Respectfully submitted,
Scott Weske, Executive Director